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FOR IMMEDIATE RELEASE**

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**SHAWN HATFIELD SENTENCED FOR TELEMARKETING FRAUD**

BALTIMORE, Maryland - United States Attorney Thomas M. DiBiagio announced that U. S. District Judge Andre M. Davis sentenced Shawn Hatfield, age 35, of Pinellas Park, Florida to 51 months incarceration and three years of supervised release following his conviction for wire fraud. Hatfield was convicted for his role in a telemarketing scheme that defrauded more than 31,000 consumers of over \$3.6 million in connection with the telemarketing of credit cards. The scheme was headed by Joel Katz in Baltimore and by Mark Cohn in San Francisco. Cohn's corporation, Four Star Financial Services, LLC of Los Angeles and South San Francisco, California, was also a indicted.

According to testimony in the two trials of Hatfield's co-defendants, Four Star is a California corporation specializing in lending and factoring to businesses. Mark Forrest Cohn, age 49, a California attorney living in Woodside, California, was its general counsel and executive vice president. Four Star provided extensive loans throughout the 1990's to Joel Katz, a Baltimore telemarketer. Beginning in the summer of 1999, Cohn caused Four Star to loan monies to Joel Katz to fund a telemarketing program offering a credit card or extension of credit to consumers.

Trial evidence further showed that telemarketing representatives located in Baltimore and telemarketing rooms throughout the United States used scripts written primarily by Joel Katz to speak with consumers by telephone to persuade them to purchase a program called The Money Club, The Tele-Money Club, Smart Savers Club, Cash Card Club, Cash Card Express or National Consumers Benefits Club for \$49.95 to \$149.95. Consumers were typically told that they would receive benefits including a credit card for which the consumer had been “pre-approved,” a line of credit for which they were “approved right now over the phone for \$150,” and valuable coupons and discounts. The telemarketing representative would persuade the consumer to agree to the automatic debit of their bank account to pay for “club” membership. The package sent to consumers did not contain a credit card, but a list of banks to which the consumer could apply for a credit card, as well as a coupon book and CD rom which Katz purchased for \$3.47.

According to trial evidence, because Katz was not making satisfactory progress in paying off his debts to Four Star, Cohn and Four Star asserted greater control of the telemarketing program until late February 2000 when Cohn and Four Star effectively removed Katz. Cohn and Four Star continued to market the same program to consumers under the names National Consumer Benefits Club and Compass Benefits Club. Cohn and Four Star hired former Katz employees Jeffrey Augen, Judith Lugo, and Shawn Hatfield to work for them. In addition, Daniel Connor operated the telemarketing program for Four Star. To conceal its interest in the telemarketing program, Four Star told consumers that the “main offices” of National Consumers Benefits Club were located in Bedford, Texas, which was the location of a mail drop. In addition, Mark Cohn and Four Star caused National Consumers Benefits Club to be incorporated in the name of Shawn Hatfield, and Compass Benefits Club to be incorporated in the name of Daniel Connor.

Cohn and his corporation, Four Star, were convicted on June 12, 2003 following a 6 week trial before Judge Davis on 50 counts of mail fraud, wire fraud and conspiracy to commit mail and wire fraud. Cohn faces a maximum sentence of 5 years and a \$250,000 fine on each count of conviction, plus restitution to the victims. Judge Davis has scheduled the sentencings of Cohn and Four Star Financial Services LLC for January 30, 2004.

Two other co-defendants were convicted after a lengthy trial before Judge Davis in May 2002: Joel Katz, age 64, formerly of Ruxton, Maryland is presently serving 97 months in prison for money-laundering, mail and wire fraud charges, and conspiracy arising from the same telemarketing fraud; and Judith Lugo, age 34, formerly of Yonkers, New York is presently serving 51 months in prison on conspiracy and mail and wire fraud charges. Co-defendants, Jeffrey Augen, age 60, of Baltimore, Maryland, and Daniel Connor, age 38, of Milford, Connecticut, both pled guilty and were sentenced to 12 months for their roles in the telemarketing scheme.

Today's sentencing was the result of a lengthy telemarketing fraud investigation conducted by the Federal Bureau of Investigation and the U.S. Postal Inspection Service, and the prosecution by Assistant U.S. Attorneys Joyce K. McDonald and Robert R. Harding.